

MEETING MINUTES

Finance Committee

February 20, 2008

CALL TO ORDER

Time – 8:00 P.M.

Members in attendance: Chairman Joanne F. Marden, Marge Bradshaw, Harold Wright, Tim Felter, Mary O'Donoghue, S. Jon Stumpf, Cindy Milne, Richard T. Howe and Mark Merritt.

Also present: Anthony J. Torrisi, Finance Director

MINUTES APPROVAL

Harold Wright moved and Marge Bradshaw seconded to approve the minutes of January 16, 2008 with changes. The motion passed 8-0-1.

SNOW & ICE BUDGET

After Committee review of documentation provided by the Public Works Director Jack Petkus, Dick Howe moved and Tim Felter seconded to recommend approval to authorize Mr. Petkus to make expenditures in excess of his FY2008 budget appropriation for snow and ice removal. The motion passed unanimously 9-0.

REVENUE/EXPENDITURE UPDATE

Jon Stumpf and Mark Merritt gave an update on a conference call with Moody's regarding the question of what can be done to improve Andover's bond rating. Discussion followed. Moody's suggestion was that Andover needed to build its reserves and develop financial flexibility to be more similar to Aaa ratings. Ms. Marden felt that Moody's wanted to see trends rather than a short term response.

FINANCIAL PLANNING TASK FORCE UPDATE

Ms. Marden brought forth for discussion a report made by the Town Manager at a prior task force meeting regarding new assumptions and a reduction in new growth numbers from 2M to 1M. Discussion followed regarding the following budget concerns: decreased local revenues by 400K, decrease in property tax revenue and a 400K increase in health insurance costs resulting in 1.8M less than the number originally proposed by the Town Manager. An additional issue raised was whether or not there is adequate funding for terminal leave payments to retirees this year. Mr. Torrisi offered to provide the Committee with an Accumulative Benefit account report from the Town Accountant.

There was a lengthy discussion regarding the following budget issues: Transparency concerns relative to SPED appropriations as well as all departments. Committee members stated they would like to see more detailed reports on the number of SPED students graduating over a progression of time; easier tracking of transfer of School funds; override multi-year option; override successes/failures in other communities;

and bundling vs. contingency override items. It was agreed on that the two most significant issues the School Committee should be questioned on are FTE's and SPED costs.

ADJOURNMENT – 10:00 P.M.

Respectfully Submitted,

Carolyn Lynch
Recording Secretary